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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

Jointly Administered Under
Case No. BK-S-06-10725 LBR

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

MONTHLY OPERATING REPORT FOR
DECEMBER 2006 (AFFECTS USA
COMMERCIAL MORTGAGE COMPANY)

Affects:
☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

STATEMENT OF OPERATIONS**(General Business Case)**For the Month Ended 12/31/06

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$1,285,471		\$1,285,471	Revenues:		
		\$0	1 Gross Sales	\$13,710,435	
\$1,285,471	\$0	\$1,285,471	2 less: Sales Returns & Allowances		
\$0		\$0	3 Net Sales	\$13,710,435	\$0
\$1,285,471	\$0	\$1,285,471	4 less: Cost of Goods Sold (Schedule 'B')		
\$17,877		\$17,877	5 Gross Profit	\$13,710,435	\$0
		\$0	6 Interest	\$61,875	
\$7,000		\$7,000	7 Other Income: _____	\$8,044	
		\$0	8 Intercompany allocations	\$327,467	
		\$0	9 _____		
\$1,310,348	\$0	\$1,310,348	10 Total Revenues	\$14,107,821	\$0
		\$0	Expenses:		
\$167,272		(\$167,272)	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries	\$1,236,422	
		\$0	13 Commissions	\$140,833	
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
\$48,908		(\$48,908)	15 Personal Property	\$8,861	
\$1,385		(\$1,385)	16 Real Property	\$418,982	
		\$0	17 Insurance	\$39,963	
\$16,288		(\$16,288)	18 Management Fees		
		\$0	19 Depreciation	\$160,136	
\$5,353		(\$5,353)	Taxes:		
		\$0	20 Employer Payroll Taxes	\$68,219	
\$3,990		(\$3,990)	21 Real Property Taxes		
\$222		(\$222)	22 Other Taxes	\$36,859	
\$133,131		(\$133,131)	23 Other Selling	\$52,946	
		\$0	24 Other Administrative	\$753,136	
		\$0	25 Interest	\$4,556	
		\$0	26 Other Expenses: _____		
		\$0	27 _____		
		\$0	28 _____		
		\$0	29 _____		
		\$0	30 _____		
		\$0	31 _____		
		\$0	32 _____		
		\$0	33 _____		
		\$0	34 _____		
\$376,549	\$0	(\$376,549)	35 Total Expenses	\$2,920,913	\$0
\$933,799	\$0	\$933,799	36 Subtotal	\$11,186,908	\$0
(\$1,040,819)		\$1,040,819	Reorganization Items:		
		\$0	37 Professional Fees	(\$14,784,654)	
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
(\$8,000)		\$8,000	41 U.S. Trustee Quarterly Fees	(\$18,000)	
		\$0	42 _____		
(\$1,048,819)	\$0	\$1,048,819	43 Total Reorganization Items	(\$14,802,654)	\$0
(\$115,020)	\$0		44 Net Profit (Loss) Before Federal & State Taxes	(\$3,615,746)	\$0
		\$0	45 Federal & State Income Taxes		
(\$115,020)	\$0	\$0	46 Net Profit (Loss)	(\$3,615,746)	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 12/31/06

Assets

		<u>From Schedules</u>	<u>Market Value¹</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		\$972,146
2	Cash and cash equivalents - restricted		\$6,717,992
3	Accounts receivable (net)	A	\$21,797,195
4	Inventory	B	\$0
5	Prepaid expenses		\$15,277
6	Professional retainers		
7	Other: Borrowers interest advances		\$23,905,303
8	Funds held in Collection account		\$15,961,752
9	Total Current Assets		\$69,369,665
Property and Equipment (Market Value)			
10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$143,278
13	Office equipment	D	\$283,823
14	Leasehold improvements	D	\$56,993
15	Vehicles	D	\$0
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		\$484,094
Other Assets			
22	Loans to shareholders		
23	Loans to affiliates		
24	Related Party loan		\$58,374,919
25	_____		
26	_____		
27	_____		
28	Total Other Assets		\$58,374,919
29	Total Assets		\$128,228,678

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages		\$29,149
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$507,932
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		\$10,698,283
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other: Retirement plan		\$1,105,535
42	Escrow deposit and other liabilities		\$6,712,890
43	Adjustment for Loan Servicing transactions		\$11,957,021
44	Total Current Liabilities		\$31,010,810

Long-Term Post-Petition Debt, Net of Current Portion

46	Total Post-Petition Liabilities		\$31,010,810
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Pre-Petition Liabilities (allowed amount)¹

47	Secured claims ¹	F	\$0
48	Priority unsecured claims ¹	F	\$169,742
49	General unsecured claims ¹	F	\$61,655,979
50	Total Pre-Petition Liabilities		\$61,825,721
51	Total Liabilities		\$92,836,531

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		\$38,932,893
53	Capital Stock		\$75,000
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		(\$3,615,746)
56	Post-petition contributions/(distributions) or (draws)		
57			
58	Market value adjustment		
59	Total Equity (Deficit)		\$35,392,147
60	Total Liabilities and Equity (Deficit)		\$128,228,678

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days		\$467,340	
31-60 Days		\$250	
61-90 Days		\$0	\$40,592
91+ Days		\$40,342	
Total accounts receivable/payable	\$0	\$507,932	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold
		Inventory Beginning of Month
		Add -
Retail/Restaurants -		Net purchase
Product for resale		Direct labor
		Manufacturing overhead
Distribution -		Freight in
Products for resale		Other:
Manufacturer -		
Raw Materials		
Work-in-progress		
Finished goods		
		Less -
Other - Explain		Inventory End of Month
		Shrinkage
		Personal Use
		Cost of Goods Sold
		\$0
TOTAL	\$0	

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
Monthly _____
Quarterly _____
Semi-annually _____
Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____
LIFO cost _____
Lower of cost or market _____
Retail method _____
Other _____
Explain _____

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	\$0	\$0

Furniture & Fixtures -		
Total	\$0	\$0

Office Equipment -		
Total	\$0	\$0

Leasehold Improvements -		
Total	\$0	\$0

Vehicles -		
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed¹</u> <u>Amount</u>	<u>Allowed²</u> <u>Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes	\$123,916	
Priority tax claims	\$45,826	
General unsecured claims	\$61,655,979	

(a) List total amount of claims even if under secured.

(b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>	<u>Account 5</u>
Bank	Bank of America	Bank of America	Citibank	Bank of America	
Account Type	Analyzed Checking	Analyzed Checking	Business Account	Money Market	
Account No.	3755532383	3755532419	500078217	3755547323	
Account Purpose	General	Payroll	Citibank Interest	Escrow Account	Petty Cash
Balance, End of Month	\$965,021	\$6,486	\$339	\$6,717,992	\$300
Total Funds on Hand for all Accounts	\$7,690,138				

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

NOTES:

1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified.

2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 12/31/06**

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales	\$149,100	\$5,262,182
3	Interest Received	\$17,780	\$89,962
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		\$5,000
6	Capital Contributions		
7	Management Fees from USA Capital Realty Advisors, LLC		\$1,027,380
8	Tax and Security Deposit Refund		\$5,698
9	Principal Received on Notes Receivable		\$82,832
10	Escrow Deposit	\$4,375,000	\$6,700,000
11			
12	Total Cash Receipts	\$4,541,880	\$13,173,054
Cash Disbursements			
13	Payments for Inventory		
14	Selling		\$2,619
15	Administrative	\$45,173	\$520,775
16	Capital Expenditures		
17	Principal Payments on Debt		\$150,645
18	Interest Paid		\$4,888
	Rent/Lease:		
19	Personal Property		\$9,963
20	Real Property	\$51,269	\$440,895
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)	\$148,120	\$1,063,795
27	Management Fees		
	Taxes:		
28	Employee Withholding	\$16,192	\$154,680
29	Employer Payroll Taxes	\$5,044	\$71,443
30	Real Property Taxes		
31	Other Taxes		\$9,943
32	Other Cash Outflows:		
33	Professional Fees Paid in Connection with Chapter 11 Case	\$125,538	\$3,619,502
34	U.S. Trustee Quarterly Fees		\$10,000
35			
36			
37			
38	Total Cash Disbursements:	\$391,336	\$6,059,148
39	Net Increase (Decrease) in Cash	\$4,150,544	\$7,113,906
40	Cash Balance, Beginning of Period	\$3,539,594	\$576,231
41	Cash Balance, End of Period	\$7,690,138	\$7,690,138

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 12/31/06

		Actual	Cumulative
		<u>Current Month</u>	<u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales	\$149,100	\$5,262,182
2	Rent/Leases Collected		
3	Interest Received	\$17,780	\$89,962
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		\$2,619
6	Cash Paid for Administrative Expenses	\$45,173	\$520,775
	Cash Paid for Rents/Leases:		
7	Personal Property		\$9,963
8	Real Property	\$51,269	\$440,895
9	Cash Paid for Interest		\$4,888
10	Cash Paid for Net Payroll and Benefits	\$148,120	\$1,063,795
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax	\$5,044	\$71,443
17	Employee Withholdings	\$16,192	\$154,680
18	Real Property Taxes		
19	Other Taxes		\$9,943
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC		(\$1,027,380)
22	Tax and Security Deposit Refund		(\$5,698)
23	Principal Received on Notes Receivable		(\$82,832)
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$98,918)	\$4,189,053
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case	\$125,538	\$3,619,502
30	U.S. Trustee Quarterly Fees		\$10,000
31	Escrow Deposit	(\$4,375,000)	(\$6,700,000)
32	Net Cash Provided (Used) by Reorganization Items	\$4,249,462	\$3,070,498
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$4,150,544	\$7,259,551
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		\$5,000
40	Capital Contributions		
41	Principal Payments		\$150,645
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	(\$145,645)
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$4,150,544	\$7,113,906
45	Cash and Cash Equivalents at Beginning of Month	\$3,539,594	\$576,231
46	Cash and Cash Equivalents at End of Month	\$7,690,138	\$7,690,138

USA Commercial Mortgage Company
Question 9 - Payments to Professionals
December 1, 2006 - December 31, 2006

	Total Paid During Month
BMC Group	\$ 125,538.48
Total Fees & Expenses	<u>\$ 125,538.48</u>

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 12/31/06

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received	\$174,146	\$1,562,401
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Cash Received - See Attachment A	\$16,483,782	\$219,269,693
8			
9			
10			
11			
12	Total Cash Receipts	\$16,657,928	\$220,832,094
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$43,809	\$678,230
34	Service Fees Paid to USA Commercial Mortgage		\$2,713,210
35	Payments to Investors	\$22,723,105	\$169,433,878
36			
37			
38	Total Cash Disbursements:	\$22,766,914	\$172,825,318
39	Net Increase (Decrease) in Cash	(\$6,108,986)	\$48,006,776
40	Cash Balance, Beginning of Period	\$63,169,179	\$9,053,417
41	Cash Balance, End of Period	\$57,060,193	\$57,060,193

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT
STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 12/31/06

		Actual Current Month	Cumulative (Case to Date)
Cash Flows From Operating Activities			
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received	\$174,146	\$1,562,401
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Cash Received - See Attachment A	(\$16,483,782)	(\$219,269,693)
22	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$43,809	\$678,230
23	Service Fees Paid to USA Commercial Mortgage		\$2,713,210
24	Payments to Investors	\$22,723,105	\$169,433,878
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$6,108,986)	\$48,006,776
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$6,108,986)	\$48,006,776
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$6,108,986)	\$48,006,776
45	Cash and Cash Equivalents at Beginning of Month	\$63,169,179	\$9,053,417
46	Cash and Cash Equivalents at End of Month	\$57,060,193	\$57,060,193

USA Commercial Mortgage Company - Collections Account
Attachment A
December 1, 2006 - December 31, 2006

Borrowers	Receipts
5055 Collwood, LLC	\$ 17,353.00
Bundy Canyon \$1,050,000	11,375.00
Cabernet	37,500.00
Charlevoix Homes, LLC	45,333.33
Cloudbreak LV	3,872,081.29
Columbia Managing Partners	23,941.67
Cornman Toltec 160, LLC	54,229.47
Fiesta Development \$6.6	6,707,249.95
Fiesta Murrieta	70,416.67
Franklin - Stratford Investments, LLC	52,506.14
I-40 Gateway West	25,610.97
I-40 Gateway West, LLC 2nd	14,200.00
Interstate Commerce Center	11,496.51
Interstate Commerce Center Phase II	15,366.66
La Hacienda Estate, LLC	62,550.00
Palm Harbor One	2,135,962.06
Rio Rancho Executive Plaza, LLC	2,117,151.75
Roam Development Group	581,114.08
Southern California Land 2nd	48,766.67
The Gardens Timeshare	68,250.00
University Estates	61,326.85
Wasco Investments	450,000.00
Total Receipts	\$ 16,483,782.07

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 12/31/06

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received	\$2,657	\$3,604
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Return of Funds from Title Company		\$8,900,000
8	Funding Assignments		\$200,000
9			
10			
11			
12	Total Cash Receipts	\$2,657	\$9,103,604
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
34	Principal Payments to Investors		\$9,475,000
35			
36			
37			
38	Total Cash Disbursements:	\$0	\$9,575,000
39	Net Increase (Decrease) in Cash	\$2,657	(\$471,396)
40	Cash Balance, Beginning of Period	\$1,502,080	\$1,976,133
41	Cash Balance, End of Period	<u>\$1,504,737</u>	<u>\$1,504,737</u>

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 12/31/06

		Actual Current Month	Cumulative (Case to Date)
Cash Flows From Operating Activities			
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received	\$2,657	\$3,604
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
22	Return of Funds from Title Company		(\$8,900,000)
23	Principal Payments to Investors		\$9,475,000
24	Funding Assignments		(\$200,000)
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$2,657	(\$471,396)
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$2,657	(\$471,396)
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$2,657	(\$471,396)
45	Cash and Cash Equivalents at Beginning of Month	\$1,502,080	\$1,976,133
46	Cash and Cash Equivalents at End of Month	\$1,504,737	\$1,504,737

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.